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# DOMINION BUREAU OF STATISTICS AGRICULTURAL BRANCH

Vol. 17

No. 3

# MONTHLY REVIEW OF THE WHEAT SITUATION

OCTOBER 1946

Published by Authority of the Hon. James A. MacKinnon, M.P. Minister of Trade and Commerce
Ottawa



### MONTHLY REVIEW OF THE WHEAT SITUATION

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# DEPARTMENT OF TRADE AND COMMERCE DOMINION BUREAU OF STATISTICS - CANADA AGRICULTURAL DIVISION

(Issued October 1946)

Dominion Statistician: Director, Agricultural Division: Editors: Herbert Marshall, O.B.E., B.A., F.S.S. J. B. Rutherford.

W. D. Porter and W. G. Morris.

### WORLD WHEAT SITUATION

World Wheat Production in 1946 - On the basis of data compiled by the Office of Foreign Agricultural Relations of the United States Department of Agriculture, world wheat production in 1946 will approach 5.9 billion bushels. An outturn of this magnitude would be the largest world wheat crop since 1940, but would still be slightly below the prewar (1935-39) average.

As might be expected a substantial gain over last year's crop has taken place in Europe (excluding the Soviet Union). European production is placed at 1,360 million bushels—an advance of 300 million bushels over 1945, but still 16 per cent below the 1935-39 average. The improvement over 1945 is, perhaps, most marked in the Meditteranean countries, where widespread droughts occurred last year. Outturns in Spain, Italy and France are also well above the 1945 levels and reflect at least a partial return to more normal conditions with reference to fertilizer supplies, draft power and other relevant factors. Unfavourable weather during harvest seriously damaged what otherwise would have been an excellent crop in the United Kingdom.

In North America, Canada's production is approximately forty per cent above last year, while the United States turned out 1,169 million bushels, a figure 46 million bushels in excess of the previous record crop in 1945. The African crop, estimated at 135 million bushels, is about 55 per cent above last year's drought-stricken crop and approaches the prewar average of 143 million bushels. Asiatic crop conditions were generally favourable during the season, except in India. Turkey reported the largest crop on record. The Southern Hemisphere harvest will not begin until November, but based upon an acreage somewhat higher than previous years and assuming average yields Argentina may achieve a crop of 200 million bushels. Latest advices from Australia indicate a relatively small crop of 130 million bushels in prospect due principally to drought in Queensland and New South Wales.

World Wheat Demand and Supply Situation 1946-47 - Import needs by deficit countries during the crop year 1946-47 have been variously estimated at from 800 million to 1,100 million bushels. Recovery of agriculture from war damage is far from complete in many countries and shortages of live stock and live-stock products will mean continued reliance on cereals as the basic foodstuff in many areas.

On the supply side of the picture it has already been pointed out that production during the current crop year is high. More than offsetting this favourable condition, however, is the fact that crop year end carry-overs in all the major exporting countries were at or near record lows. On July 1 total wheat stocks in the United States, Canada, Argentina and Australia were estimated at 373 million bushels, the lowest level reached since 1938, as compared with a figure of 1,740 million bushels on July 1, 1943. When carry-overs and production are added up world supplies available for consumption in 1946-47 appear to be less than last year and it is evident that world needs prior to the 1947 harvest must be met almost entirely from

the 1946 crop. Reliable sources estimate that upward of 700 million bushels of wheat will be required from the four principal exporters if import needs are to be met. Approximately half of the 760 odd million bushels of wheat exported from Canada and the United States between July 1, 1945 and June 30, 1946 was obtained from carry-over stocks. This source is not available this year and, in addition, some rebuilding of abnormally low stocks in these countries may be anticipated. Thus, taking all known factors into consideration, world wheat supplies will evidently remain short of requirements at least for the duration of the current crop year.

Transportation Problems Serious in North America - In Canada, shortages of both railway cars and lake and canal shipping have been hampering movement of wheat into export positions. Thousands of box cars are in poor shape after protracted war service, and the heavy demand for freight cars on the prairies to move the new crop to lakehead ports has caused a lack of sufficient equipment for grain movements farther east. Much inland shipping has been diverted from grain movement, in an attempt to get American coal into Canadian bins before freeze-up. Competition from the pulp and ore trades is also heavy. As a consequence, elevator stocks in Montreal and other St. Lawrence ports are at a very low ebb and thousands of tons of ocean-going ships have been held idle in Montreal awaiting cargoes for Europe. Continuation of this condition is bound to impair Canada's grain export program to a serious degree.

The United States, too, is experiencing difficulty in moving the crop. Approximately 900,000 tons of grain programmed for export in the third quarter of 1946 had to be carried over into the fourth quarter due, principally, to interruption of shipments by the Maritime strike. Railway cars are at a premium, and the interiors of many box cars have been damaged by shipments of heavy war freight to such an extent that they are unsuitable for the loading of grain and flour. It is estimated that the supply of box cars suitable for handling of grain and grain products and other agricultural commodities will still fall short of requirements in 1947.

### CANADIAN SITUATION

Supply Position - Canada's carry-over of wheat at July 31, 1946 reached the lowest point since 1938. Total supplies available for the current crop year (carry-over plus 1946 crop) are also at their lowest ebb since that year. Due to the extremely low carry-over of old wheat, practically all of the commercial supplies of wheat during the 1946-47 crop year must be obtained from farmers' marketings of 1946 wheat.

At this stage it is difficult to estimate closely how much wheat will come forward off farms during the current crop year, but a number of factors indicate that a relatively high proportion of the wheat now on farms may be retained for farm use and carry-over at the end of the crop year. To the extent that this situation develops, there will be that much less wheat available for export and other domestic consumption. Among the factors which may limit commercial supplies this year should be noted:

l. Substantial outturns of frosted and low-grade wheat in Alberta and Saskatchewan will likely lead to feeding of more wheat to live stock this crop year than in 1945-46.

- 2. Farmers will probably rebuild their depleted farm stocks to a more normal level as the reserve at July 31, 1946 provided little insurance against possible crop failure.
- 3. The sharp edge of famine in war-torn countries appears to have been somewhat blunted and this may have the effect of reducing the apparent urgency which, no doubt, previously encouraged a more rapid rate of delivery.
- 4. Farmers often make heavy deliveries in July, the last month of the crop year, partly in order to make storage space available for the new crop. Should this practice be followed again in 1947 this grain could not be moved into export channels until the following crop year, although it would be more or less immediately available for domestic consumption.

The data relevant to 1946-47 in the following table should be interpreted in the light of the foregoing remarks.

### Canadian Wheat Supplies

	1946-47	1945-46
	- million	bushels -
Carry-over in North America July 31	69.9	258.1
New Crop	440.6 <u>1</u> /	318.7 2/
Total Supply	510.5	576.8
Estimated domestic requirements	175.0	167.0 2/
Available for export or carry-over	335.5	409.8
Deduct:		
Overseas clearances of wheat as grain Aug. 1 - Sept. 30	15.7	59.4 62.
United States imports of Canadian wheat	.7	2.3
Total wheat exports	16.4	61.7
Exports of wheat flour in terms of wheat Aug. 1 - Sept. 30.	14.5	9.3
Total exports wheat and wheat flour	30.9	71.0
Balance on October 1 for export or carry-over	304.6	338.8

<sup>1/</sup> Subject to revision.

<sup>2/</sup> Tentatively revised on the basis of disposition data - see page four.

### DISPOSITION OF THE 1945 WHEAT CROP OF THE PRAIRIE PROVINCES

The preliminary disposition data available indicate that the 1945 wheat crop in Western Canada was underestimated by approximately 12,547,000 bushels or about 4 per cent. Saskatchewan and Alberta were underestimated by 6.1 and 7.7 million bushels respectively, while Manitoba, on the other hand, was overestimated by 1.2 million bushels. A preliminary adjustment of the estimate for the 1945 wheat crop in the Prairie Provinces would place production at 294.5 million bushels as compared with the third estimate of 282.0 million bushels. -The final estimate of the 1945 crop will not be made until January 1947.

The total amount of wheat fed on farms in Western Canada during the 1945-46 season is now estimated at 24.1 million bushels as against 33.2 million a year earlier. The largest reductions occurred in Saskatchewan and Alberta. Farmers' marketings dropped from 352.9 million bushels in 1944-45 to 236.6 million in 1945-46, a decline of approximately 40 per cent.

Wheat Supply and Disposition in the Prairie Provinces, Crop Year 1945-46

	Manitoba	Saskatchewan	Alberta	Prairie Provinces
		- 000 bush	els -	
Supply -				
Carry-over on farms, July 31, 1945	2,000	17,000	8,000	27,000
January estimate 1945 crop	40,000	162,000	80,000	282,000
Total Supply	42,000	179,000	88,000	309,000
Disposition -				
Deliveries 1/	29,718	140,604	66,243	236,565
Seed	4,167	17,218	9,600	30,985
Feed	3,900	10,600	9,600	24,100
Country millings	1,220	1,394	1,442	4,056
Carry-over on farms, July 31, 1946	1,773	15,283	8,785	25,841
Total Disposition	40,778	185,099	95,670	321,547
Extent of error indicated	+1,222	-6,099	-7,670	-12,547
Production estimates as indicated by preliminary disposition data .	38,778	168,099	87,670	294,547

<sup>1/</sup> Subject to revision.

Delivery Quotas on Wheat - At the opening of the new crop year the Canadian Wheat Board announced that the delivery quota on wheat, either old or new crop, at all delivery points would be 10 bushels per authorized acre. The quota system has been used this year for the sole purpose of providing a fair allocation of country elevator space to farmers, and quotas have been lifted as rapidly as storage conditions permitted. Figures compiled by the Canadian Wheat Board indicate that the quota position in the four western provinces stood as follows on October 18.

Delivery Quota	Manitoba	Saskatchewan	Alberta	British Columbia
10 bushels		301	61	2
15 bushels	dos	21	20	623
20 bushels	-	12	78	co-
Open	368	793	434	2
Total	368	1,127	593	4

Taking the western provinces as a whole the quota position at the eleventh week of the current crop year is as follows:

364	10 bushels per 'Authorized Acre'
41	15 bushels per 'Authorized Acre'
90	20 bushels per 'Authorized Acre'
1,597	Open Quota
2,092	Total

Of the 2,092 delivery points in the four western provinces over 76 per cent were on an open quota basis on October 18, while only 17 per cent remained on the 10-bushel basis. As it is the intention of the Canadian Wheat Board to accept all wheat that producers wish to deliver in 1946-47, it may be anticipated that the quota restrictions still remaining in effect will be lifted as soon as sufficient grain can be moved from those delivery points where the pressure on available storage capacity is still strong.

On October 22 the Canadian Wheat Board issued an Instruction to the Trade which has the effect of permitting any producer having damp wheat, damp cats and/or damp barley, that is wheat, oats and/or barley containing 17 per cent moisture to deliver such grain regardless of the wheat, oat or barley quota in effect at the delivery point specified in the permit book.

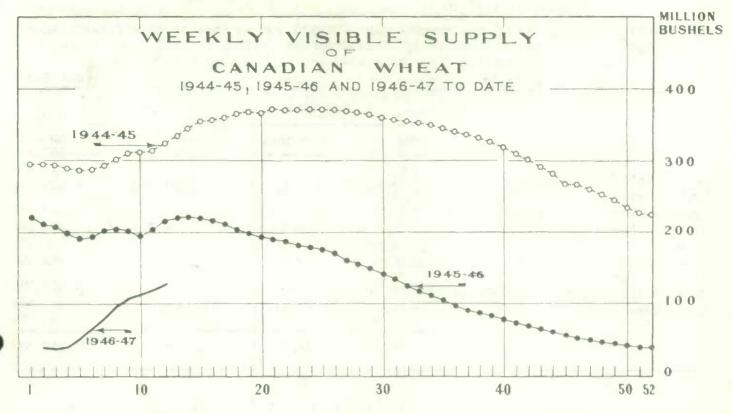
Farmers' Marketings - The following table shows primary receipts of wheat in the Prairie Provinces for the 1946-47 crop year along with comparative figures for 1945-46:

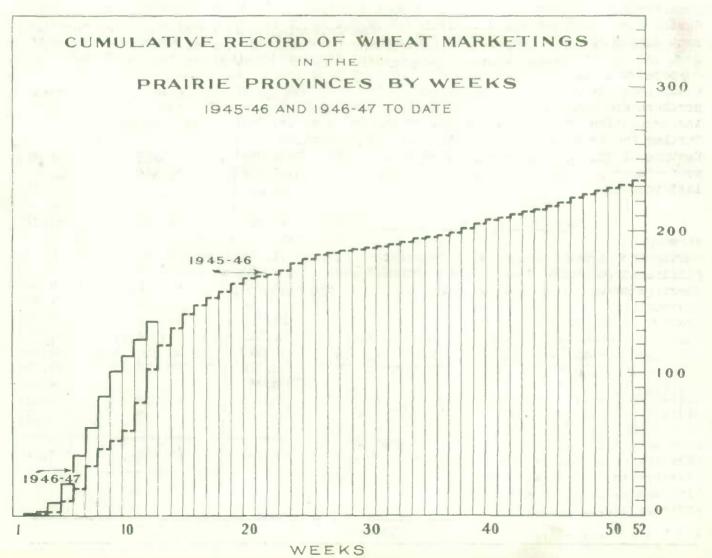
Week end	ing	Manitoba	Saskatchewan	Alberta	Total	Last Year
			- bu	ishels -		3
August	1-8	225,324	396,627	797,492	1,419,443	358,756
	15	665,222	679,789	1,019,934	2,364,945	382,341
	22	1,700,523	2,026,729	1,585,626	5,312,878	1,772,834
	29	5,360,908	7,254,234	1,965,910	14,581,052	7,526,121
September	5	4,993,343	11,916,951	2,733,362	19,643,656	9,045,080
	12	4,653,986	12,712,510	2,283,827	19,650,323	15,644,666
	19 1/	3,986,469	15,047,267	2,838,144	21,871,880	11,828,639
	26	1,892,442	9,173,163	5,246,998	16,312,603	5,443,921
October	3	1,313,287	6,231,719	3,248,141	10,793,147	7,109,789
	10	1,995,033	6,911,412	2,782,356	11,688,801	19,993,367
	17	730,924	4,977,457	6,632,554	12,340,935	24,040,005
Total		27,517,461	77,327,858	31,134,344	135,979,663	103,145,519

<sup>1/</sup> Revised

Wheat Visible Supply - The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on October 17, 1946, along with comparative figures for approximately the same date in 1945 and 1944:

	1946	1945	1944
		- 000 bushels -	
Country Elevators - Manitoba	6,855 36,405 20,660	7,655 34,245 32,325	14,815 87,690 54,715
Total	63,920	74,225	157,220
Interior Private and Mill Elevators Interior Public and Semi-Public Terminals Pacific Ports Churchill Fort William and Port Arthur Eastern Elevators - Lake Ports St. Lawrence and Seaboard Ports United States Ports In Transit - Lake In Transit - Rail In Transit - U.S.A.	4,111 31 2,783 43 18,036 11,311 517 5,756 4,367 15,457 800	5,490 6,299 11,109 1,878 34,492 19,454 21,456 17,194 5,573 17,382 4,827	5,710 11,219 17,906 1,878 25,759 41,071 21,834 19,576 4,244 15,111 5,919
Total	127,132	219,379	327,447





Grading of 1946 Wheat - During August and September it was possible to preserve the identity of new wheat coming forward for inspection by the Board of Grain Commissioners, and the following table shows the grading of 1946 wheat inspected during that period. Comparable figures for 1945 are also included in the table:

	Inspections - New Wheat August-September 1946		Inspections - New Wheat August-September 1945	
	Cars	Per Cent	Cars	Per Cent
No. 1 Northern	5,651 16,015 2,617	20.0 56.6 9.2	7,626 4,198 391	57.7 31.7 3.0
No. 4 Northern	592 38	2.1	43 13	.3
Amber Durum	1,054 854 706	3.7 3.0 2.5	247 63 506	1.9 .5 3.8
All Others	783	2.8	137	1.0
Total	28,310	100.0	13,224	100.0

From the above table the pattern of grades this year appears to be in considerable contrast to last year's distribution. Only 20 per cent of inspections during August and September of 1946 had graded No. 1 Northern compared to 57.7 per cent during the same period last year. Nos. 2 and 3 Northern accounted for 56.6 per cent and 9.2 per cent, respectively, of cars inspected during the two months as compared with 31.7 per cent and 3.0 per cent last year. Unfavourable threshing conditions prevailed through late September and much of October in large areas of northern and central Alberta and Saskatchewan, and as a result it is possible that the proportion of lower grades and toughs in later inspections may increase still further due to bleaching, sprouting and high moisture content. An interesting feature of the table is the greater relative importance of Alberta winter wheat this year—three per cent of early inspections as opposed to one-half of one per cent last year.

Movement of Wheat to Maritime Ports - The table below sets out the movement of wheat by RAIL from ports on the Great Lakes and the St. Lawrence River during the current season, with comparative figures for last year. The drastic decline in shipments this year as compared with 1945 reflects the serious car shortage which has developed, particularly in the eastern part of the country.

	August 1, 1946 to October 17, 1946	August 1, 1945 to October 18, 1945
	- bush	els -
Collingwood	00	854,155
Midland	253,020	1,377,601
Owen Sound	_	442,399
Port McNicoll	279,028	3,292,719
Goderich	50,000	281,264
Walkerville	me .	192,873
Kingston	atus	187,796
Montreal	-	3,098
Total	582,048	6,631,905

Shipments to the United States - Shipments of Canadian wheat to the United States between August 1 and October 17 were nearly 22 million bushels less than the quantity shipped in the same period last year. Of the 7.7 million bushels shipped to United States positions up to October 17, all but some 4,000 bushels went by water. During the corresponding weeks a year ago 2.7 million bushels were shipped by rail and 26.9 bushels by vessel. The figures quoted here point up some of the difficulties currently being experienced in getting Canadian wheat to export positions. The shortages of available lake vessels and of box cars are constituting serious transportation bottlenecks.

### Shipments August 1 - October 17

11 16 1 2 10 Sept 1			
By Vessel	1946	- bushels -	1945
U.S.A. Pacific Ports Buffalo	6,093,165 1,621,798		15,000 24,310,575 2,618,174
Total - Vessel Shipments	7,714,963		26,943,749
By Rail	(4)		
Seaboard Ports	4,337		2,604,550 77,344
Total - Rail Shipments	4,337		2,681,894
GRAND TOTAL	7,719,300		29,625,643

### Lake Shipments of Canadian Grain from the Opening of Navigation to

October 21 - Lake shipments of Canadian wheat so far this season have been the smallest since 1938 and are more than 173 million bushels below the level achieved by the same date last year. Shipments of all grains are approximately 211 million bushels behind last year's record figure. Among the major factors responsible for the low level of lake shipments during 1946 are the seamen's strike early in the season and depleted lakehead stocks during the summer months. Latterly, the delaying factor has been shortage of cargo space, much of which is now occupied with the movement of coal and other raw materials.

Shipments between Opening of Navigation and October 21

Year	9 2 3	Wheat	Oats	Barley	Rye	Flaxseed	Total
				- bus	hels -		
1938		91,512,124	5,915,301	13,862,592	1,403,255	376,159	113,069,431
		130,965,769	12,243,860	13,842,483	3,012,895	197,263	160,262,270
1940		129,681,182	11,846,563	7,430,008	2,412,800	748,081	152,118,634
1941		176,062,572	6,927,995	7,307,902	4,824,994	1,069,198	196,192,661
1942		136,304,350	3,158,103	4,855,136	904,911	587,937	145,810,437
1943		154,517,310	33,295,910	36,688,044	1,331,875	3,714,538	229,547,677
1944		233,200,858	60,131,335	39,077,560	6,617,462	5,226,846	344,254,061
1945		267,063,673	68,641,157	32,567,213	3,431,764	2,844,738	374,548,545
1946		93,484,942	45,439,516	22,229,253	1,288,812	1,175,091	163,617,614

Rail Movement from Fort William-Port Arthur - Shipments of wheat by rail from the lakehead during September lagged several thousand bushels behind the August figure. The heavy demand for cars in the Western Division to keep country elevators cleared and to build up lakehead stocks has left insufficient equipment available for any sizeable eastward movement of wheat by rail. As in the previous month, the greater part of the shipments have been consigned to Quebec points with Ontario a close second and relatively small quantities going to the Maritimes. With the exception of 1,000 bushels of No. 3 Northern and 12,000 bushels of No. 1 C.W.A.D., all of the wheat moving by rail from the lakehead during September graded No. 4 Northern or lower.

Shipments month-by-month during the past four crop years are shown in the following table:

	1946-47	1945-46	1944-45	1943-44
		- bush	els -	
August September October November December January February March April May	187,825 175,773	23,255 57,533 73,776 99,197 2,280,636 4,533,707 1,127,764 2,223,266 1,015,730 536,462 920,233	91,891 169,603 86,571 97,512 1,236,339 1,936,038 764,629 1,091,909 196,042 66,154 58,642	990,879 1,547,042 780,035 711,238 898,566 4,364,157 4,397,318 1,076,193 107,257 269,533 108,739
July	- 7	130,276	52,726	47,517
Total - 12 Months		13,021,835	5,848,056	15,298,474

The grades of wheat shipped during September 1946 and the provincial distribution of this rail movement are shown in the following table:

	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island
		deta	bushels -		
3 Northern	426W	1,000	1000		-
4 Northern	23,471	42,167		83	_
No. 5	5,252	18,000	635	-	-10-10
Feed	7,000	7,000		7-	TO TRACE
Rejected 4 Northern	25,567	28,733	3,733	1,134	633
l C.W.A.D.	12,000	ge-		dr.	• 34,
Total	73,290	96,900	3,733	1,217	633

Freight Assistance Shipments - Claims filed to date for payment on freight assistance shipments relative to the month of August 1946, indicate that shipments to all provinces for the fourth month in succession have fallen off materially in comparison with shipments for the same month a year ago. Wheat shipments, which amounted to 2.6 million bushels in August 1945, were under a million bushels in August 1946. In contrast to last year, Quebec absorbed a larger share of the wheat shipments than did Ontario, these two provinces sharing about 75 per cent of the month's shipments, with the remainder being divided among the Maritimes and British Columbia.

The provincial distribution of wheat shipments is shown in the following table, by months, with comparative totals for the crop year 1945-46:

1946-47	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	British Columbia	Total
			- bu	shels -			
August	347,058	372,462	33,020	45,135	20,715	141,640	960,030
Same Period 1945-46	1,163,800	864,462	74,287	83,563	68,320	353,505	2,607,937

Millfeed shipments under the freight assistance policy appear to have declined more than 40 per cent from the same month a year ago. Quebec continues to absorb the greater part of these shipments. In connection with the data on both wheat and millfeeds, it should be pointed out that the filing of late claims will necessitate upward revisions in the shipment figures. Thus, it may be expected that the declines shown here may turn out to be much less than indicated.

The provincial distribution of millfeeds under the freight assistance plan is shown for the five eastern provinces in the following table. One column of figures covers the first month of the present crop year and the other the corresponding period a year ago.

	August 1946	August 1945
		Mary and the second second second
	- to	ons -
Ontario	7,066	19,221
Quebec	18,516	26,445
New Brunswick	2,647	5,012
Nova Scotia	2,648	4,096
Prince Edward Island	562	951
Total	31,439	55,725

### Monthly Overseas Clearances, Etc., in Comparison with the Customs Exports of

### Wheat and Wheat Flour

	Overseas Clearances of Canadian Wheat	U. S. Imports of Canadian Wheat for consumption and milling in bond	Customs Exports of Canadian Wheat Flour	Total	Customs Exports of Wheat and Wheat Flour
1944-45		- 000	bushels -	pec liter (1	
August	12,351	9,043	3,391	24,785	19,899
September	11,798	8,940	5,470	26,208	32,107
October	15,428	5,758	4,908	26,094	33,624
November	14,658	4,891	4,417	23,966	27,601
December	9,972	2,169	5,591	17,732	32,815
January	14,730	1,413	3,781	19.924	8,944
February	10,858	766	4,642	16,266	11,998
March	13,890	763	5,571	20,224	15,665
April	22,703	2,157	6,154	31,014	21,606
May	39,351	2,499	6,307	48,157	35,432
June	34,366	1,725	7,257	43,348	50,552
July	38,322	1,737	5,168	45,227	43,362
rotal	238,427	41,861	62,657	342,945	333,605
1945-46 1/					
August	34,967	1,114	4,979	41,060	48,074
September	24,412	1,143	4,294	29,849	34,428
October	41,139	1,265	4,789	47,193	36,139
November	28,175	2,139	4,501	34,815	42,817
December	18,094	1,582	4,344	24,020	42,443
January	22,593	1,988	5,125	29,706	20,373
February	19,592	352	5,111	25,055	14,959
March	21,288	587	4,690	26,565	20,075
April	15,296	559	6,651	22,506	20,095
May	16,949	465	7,507	24,921	23,003
June	16,299	754	4,771	21,824	14,718
July	6,931	386	5,276	12,593	18,910
otal	265,735	12,334	62,038	340,107	336,034
1946-47 1/					, E
August	6,053	200 2/	8,897	14,932 /5.15	0 17,338
September	9,610	508 2/	5,562	15,177 15.67	
rotal	15,663	700 2/	14,459	-30,129 30,82	

<sup>1/</sup> Subject to revision.

<sup>2/</sup> Estimate.

Current Wheat Prices - In order to present a somewhat more detailed picture of Canadian wheat prices, it has been decided to publish monthly the weekly averages of both domestic and export prices of western Canadian wheat. The table below sets out these averages for the first three weeks of October. All prices have remained fixed with the exception of the commercial classification which comprises wheat for export to countries other than the United Kingdom. Prices of this class of wheat have been closely aligned with the United States wheat price since August 1, when the restriction on the export price to countries other than the United Kingdom was lifted. Since September 17 the export price of Durum wheat has been quoted at 15 to 19 cents over the export price of the straight grades.

	CONTRACTOR		
	Average Price		
	Oct. 5	Oct. 12	Oct. 19
Wheat 1/	- cents and	eighths per	bushel -
(1) Class I Domestic			
(A) Domestic Use			
1 Hard	125	125	125
l Northern	125	125	125
2 Northern	122	122	122
3 Northern	120	120	120
4 Northern	115	115	115
Number 5	112	112	112
Number 6	108	108	108
Feed	106	106	106
1 C. W. Garnet	120	120	120
2 C. W. Garnet	118	118	118
3 C. W. Garnet	116	116	116
1 Alberta Red Winter	135	135	135
2 Alberta Winter	134	134	134
3 Alberta Winter	131	131	131
1 C. W. Amber Durum	135	135	135
2 C. W. Amber Durum	132	132	132
3 C. W. Amber Durum	130	130	130
(B) Country Points - 10 cents per bushel abov	e Schedule A.		
(2) Class II Export			
(A) United Kingdom	The same of the		CHICAGO I G.
l Hard	155	155	155
l Northern	155	155	155
2 Northern	152	152	152
3 Northern	150	150	150
(B) Commercial			
l Hard	212	213	217/7
1 Northern	212	213	217/7
2 Northern	209	210	214/7
3 Northern	207	208	212/7
1 C. W. Amber Durum	227	228	232/7
2 C. W. Amber Durum	227	228	232/7
3 C. W. Amber Durum	226	227	231/7

<sup>1/</sup> Price - Basis in store Fort William-Port Arthur and Vancouver.

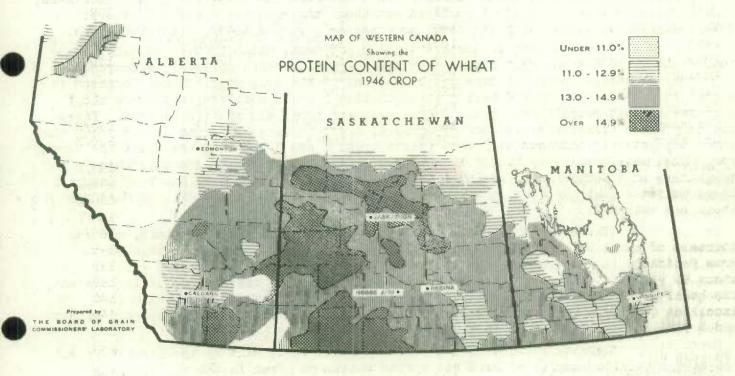
Selling Prices of Canadian Wheat Since 1943 - The series of prices shown in the table below represent monthly averages of Class II or export wheat prices to non-mutual aid countries. Since August of this year the average monthly prices is that established under the United Kingdom-Canada Wheat Agreement. Export prices to countries other than the United Kingdom will be found on the preceding page.

	1 Northern	2 Northern	3 Northern	4 Northern
		- cents and eig	hths per bushe	1 -
October 19-30, 1943	128/2	125/2	123/2	118/2
November	132/3	129/3	127/3	122/3
December	141/2	138/2	136/2	131/2
January, 1944	145/5	142/5	140/5	135/5
February	144/7	141/7	139/7	134/7
March	146/7	143/7	141/7	136/7
April	148	145	143	138
May occommon of the control	148	145	143	138
June	143/3	140/3	138/3	134/2
July and	138	135	133	130
August	135/2	132/2	130/2	127/4
September	136	133	131	129/7
October	143/2	140/2	138/2	137/2
November	146/2	143/2	141/2	140/2
December	146/3	143/3	141/3	140/3
January, 1945	145/6	142/6	140/6	139/6
February	150/1	147/1	145/1	144/1
March	152/3	149/3	147/3	146/3
April	153/5	150/5	148/5	147/5
May	154/4	151/4	149/4	148/4
June	155	152	150	149
July	155	152	150	149
August	1,55	152	150	149
September	155	152	150	149
October	155	152	150	149
November	155	152	150	149
December	155	152	150	149
3,000	100	200	100	7.47
January, 1946	155	152	150	149
February	155	152	150	149
March	155	152	150	149
April	155	152	150	149
May	155	152	150	149
June	155	152	150	149
July	155	152	150	149
August1/	155	152	150	149
September1/	155	152	150	149
October1/	155	152		and the same of th
00000012/000000000000000000000000000000	199	102	150	149

<sup>1/</sup> Selling price to United Kingdom only.

Protein Content of Canada's 1946 Wheat Crop - Revised. An interim report issued by the Board of Grain Commissioners' Laboratory on September 28 indicated that the current wheat crop was still maintaining the level of protein of 14.2 per cent established earlier by preliminary tests. The total number of samples tested for the interim report was 3,278 including 529 from Manitoba, 2,202 from Saskatchewan and 547 from Alberta. The average protein levels for each province, with corresponding final values for 1945 shown in brackets were: Manitoba 13.3 per cent (12.3), Saskatchewan 14.4 per cent (14.1) and Alberta 13.8 per cent (13.9). Based on interim figures, the mean protein level for Manitoba was one per cent higher than last year, while relatively small changes from a year ago were indicated for the other two provinces. However, considerable threshing still remained to be done in northern sections of Alberta and Saskatchewan at the date of the interim report, and it is possible that mean figures for these provinces may be somewhat reduced when more of the northern grain is included in the sample.

Areas of low, average and high protein contentare shown on the following interim map. It will be observed that three large areas of high protein content are found in Saskatchewan this year, with much smaller areas in Alberta. The greater part of the wheat-growing area of all three provinces falls in the average range (13.0 to 14.9 per cent), although relatively small low protein areas are also to be found in each province.



Protein content is widely used as a yardstick for baking quality. High protein wheat is generally much sought after by importing countries where it is used in mixtures with 'weaker' wheats grown elsewhere. The quality of bread is improved when dough containing certain percentages of flour made from stronger high protein wheat is used in its manufacture.

By way of comparison, this year's mean protein value of 14.2 per cent is higher than last year's figure by 0.4 per cent and is 0.6 per cent higher than the 20-year average. These differences are not great but variations between years are sometimes wide as indicated by figures for the last five years.

1941 15.1 per cent	1944 13.0 per cent
1942 12.8 per cent	1945 13.8 per cent
1943 13.5 per cent	1946 (interim) 14.2 per cent

The lowest value obtained since the beginning of scientific protein surveys was 11.4 per cent in 1927, and the highest was 15.1 per cent in 1941.

Quality of Canada's 1946 Wheat Crop - The following is quoted from a report received just before press time from the Research Laboratory of the Board of Grain Commissioners:

"Western Canada's new wheat crop of 420 million bushels is high in protein content and baking strength according to tests made by the Board of Grain Commissioners' Laboratory. Average baking strength is not very different from that of last year's crop and protein content is slightly higher. There is little to choose between the first three grades for improving the all-round baking quality of weaker wheats and for this purpose they are very satisfactory.

"The bulk of the crop is expected to enter the first three grades but the volume of wheat affected by drought, fall rains and frost will be fairly large. On the average, bushel weight decreases with grade, baking absorption is the same for 1 and 2 Northern and higher for 3 Northern, and dough handling quality is very satisfactory with no material differences between these grades. Gassing power is about the same for 1 and 2 Northern and higher for 3 Northern, and differences in yellow pigment content are negligible. Comparisons with last year's crop show the following for the new crop: bushel weight is about the same for 1 Northern and lower for 2 and 3 Northern; baking absorption is lower for 1 Northern and about the same for 2 and 3 Northern; yellow pigment is essentially the same, and gassing power is lower, grade for grade.

"Average protein content is 14.2 per cent, which is 0.4 per cent higher than in 1945 and 0.6 per cent higher than the 20-year average. However, a decrease in this year's average figure is expected by the end of the crop year. Three Northern is higher in protein content and baking strength than 1 and 2 Northern, which are about the same in both properties. Thus, baking strength parallels protein content. There are only small differences in loaf appearance, crumb texture and crumb colour among the three top grades. Compared with last year's crop, 1 and 2 Northern are about the same and 3 Northern is slightly higher in baking strength this year. As considerable quantities of 3 Northern are expected from districts where threshing has been delayed, it is believed that the final quality characteristics of this grade will differ from those now estimated.

"The 1946 amber durum wheat crop is about 10 million bushels, an increase of about 85 per cent over that produced in 1945. As farmers continued to grow Pelissier in spite of the exclusion of this variety from the two top grades, about 80 per cent of the crop has graded 3 C.W. Because of the high Pelissier content, the quality of 3 C.W. is distinctly poorer than that of 1 and 2 C.W. which have excellent quality. Compared with last year's crop, 1 and 2 C.W. are distinctly higher and 3 C.W. is slightly higher in quality this year.

"Results of some of the more important tests made by the laboratory on new-crop composite samples of hard red spring wheat are given in the accompanying table. A crop bulletin entitled "The Quality of Western Canadian Wheat, 1946 Crop" by J. Ansel Anderson and T. R. Aitken, to be released shortly, contains a comprehensive and detailed account of the quality of grades 1, 2 and 3 Northern and some information on lower grades."

Results of Tests on 1946 Crop Northern Grades

Property	1 Northern	2 Northern	3 Northern
Bushel wt., 1b.	63.8	62.2	60.8
Flour yield, %	71.8	70.5	69.5
Wheat protein, %	13.6	13.7	14.3
Vitamin Bl./ug/g	3.47	3.63	3.84
Flour ash, %	0.50	0.50	0.51
Yellow pigment, p.p.m.	2.80	2.94	3.02
Gassing power, mm.	356	368	409
Absorption, %	60.2	60.1	61.0
Loaf volume, cc.	770	765	800

### UNITED STATES SITUATION

Record Total Wheat Crop Now Assured - The Crop Reporting Board of the Bureau of Agricultural Economics in its latest crop report issued on October 10, places the total 1946 wheat crop at 1,169,422,000 bushels. This is 46 million bushels larger than the previous all-time record achieved last year. The winter wheat crop of 880 million bushels, all of which had been harvested, set a new high. The indicated 1946 production of wheat by classes is - hard red winter 573 million bushels, soft red winter 210 million bushels, hard red spring 217 million bushels, durum 39 million, and white wheat 131 million bushels. This year's crop of all wheat contained larger amounts than last year of each class of wheat except hard red spring, which is about 16 million bushels less than a year ago.

Spring Wheat Production Above Ten-Year Average - The Board estimated all spring wheat production at 289,528,000 bushels, about two million bushels above the September estimate. Although the 1946 production is nearly 4 per cent below the 300 million bushels produced last year, it is over a fourth more than the 10-year average. Included in the all spring wheat figure are 38,474,000 bushels of durum produced in the Dakotas and Minnesota. Durum production in 1946 exceeds last year's figure by 10 per cent and is almost 21 per cent above average. Harvesting and threshing of spring wheat were largely completed in all areas by October 1, although some remained to be threshed in the north-western counties of Minnesota, parts of North Dakota and some of the higher altitudes of Montana. The quality of the 1946 spring wheat crop in the main belt is better than that of last year's crop and also much better than average. September inspection at representative markets indicate that hard red spring wheat is grading higher than the 1945 crop and considerably better than average. Durum wheat is also grading higher than last season and well above the 1935-44 average. On the Minneapolis cash market protein premiums held quite steady over the week ending October 25, with 13 per cent protein generally bringing 3 cents premium over ordinary; 14 per cent protein 8 cents; 15 per cent protein 14 cents, and 16 per cent protein 19 cents over ordinary.

Farm Stocks Higher Than Last Year - Wheat stocks on farms at October 1 stood at 559.7 million bushels, compared with 528.2 million bushels a year ago. The October 1 farm stock figure is greater than it has ever been for the same date in any year with the exception of 1942, when 640 million bushels remained on farms at October 1.

winter Wheat Seeding Nearing Completion - Winter wheat seeding is either completed or near completion in the main belt with early seeded crops up to a good stand and in good to excellent condition generally. In the far west, fall grain seeding continued where rain had aided soil conditioning and promoted good germination and rapid growth in early seeded fields. In Kansas, the most important winter-wheat producing state, a report issued on October 23 from Topeka states that wheat plants over the western two-thirds of the state show an average growth of 3.3 inches compared with 2.5 inches at about the same time last fall.

Restrictions Removed - On October 16, War Food Order 144 was amended to permit (1) the selling of wheat by mixed feed manufacturers, (2) the use of "non-milling" quality wheat in the mixture of grains for sale as an ingredient in the manufacture of mixed feeds, and (3) the unrestricted delivery of flour by a miller to owned or controlled subsidiaries, within the over-all 85 per cent restriction on the production of flour for domestic distribution. Department officials stated it was necessary to retain the 85 per cent limitation in order to make a substantial part of the total flour production available for export. Flour prices were decontrolled on October 24, along with all other foodstuff prices, except sugar and rice.

Chicago Cash Wheat - The cash wheat market at Chicago has remained strong but relatively little trading took place at the local terminal. Receipts were generally small and below trade requirements. Prices for No. 2 Red were quoted at \$2.19 on October 25, an advance of 9 cents over the September 30 quotation. It is anticipated that the large quantities of wheat needed by the Government to meet export allotments, together with active mill demand will continue to exert pressure against supplies offered for cash. Further bullish factors are the small stocks of wheat in terminal markets, shortage of cars for movement of grain to terminals and slower than usual movement of wheat from farms.

The following are the daily cash prices by grades on the Chicago

market:		
September	23,	1946

September	23, 1946	None			
	24	None			
200	25	None			
	26	l Hard.	• • • • • • • • • • • • • • • • • • • •	209	
	27	2 Red .	• • • • • • • • • • • • • • • • • • • •	210	
	28	2 Red		210 1/2	
	30	2 Red .		210	
October 1		None			
				03.0	
	****				
	0 * 0 * 0 * 0 * 0 * 0 * 0 * 0 * 0 * 0 *				
				ala	
				010	
				216	
18		2 Red .		215	
19		None			
21		l Red .		217-218	
22		L & 2 R	Red	218	
	* • • • • • • • • • • • • • • • • • • •				
رم		s Red .		218-219	

Chicago Wheat Futures - Wheat futures on the Chicago market fluctuated considerably during October with the higher quotations prevailing around the middle of the month. On October 25 the January future was quoted at \$2.01, a half cent up from the October 1 price. The deferred months, however, had dropped off by the 25th of the month to \$1.93 1/4 for the March and \$1.87 1/4 for the May future, a decline of 2 1/4 and 5 cents respectively from the quotation on October 1.

The following are the high points of closing in the wheat futures market at Chicago for the various contract months:

	January	March	May
		- cents and eighths per bushe	_
September 23	199/4	196/6	192/4
September 23	202/3	197	193
25	203/4	198/2	194/3
26	202	197/6	194/2
27	201	196	192/4
28	201	196/3	192/4
30	201/2	195/5	192/2
October 1	200/4	195/4	192
2	202/4	197/2	193/6
3	203	197/7	194/4
4	201/4	196/4	193
5	203/2	198	194/4
7	204/4	198/3	194/7
8	204	198/7	195/4
9	203/6	198/6	195/2
10	206	202	197/6
11	206/4	202/4	198/1
12		Columbus Day	A Long
14	208/7	204/6	200
15	208	204	198/2
16	206/2	201/2	196/3
17	201/2	196/2	191/3
18	200/6	194/2	189/4
19	196/4	189/2	184/4
21	201/4	194/2	189/4
22	204/2	196/5	192
23	204/6	197/4	192
24	203/4	195	189/7
25	201	193/2	187/2

### ARGENTINE SITUATION

Moisture Supplies Satisfactory in Grain Growing Zone - Reports from Argentina reveal that weather conditions at the latter part of September were somewhat unsettled with light to heavy rains falling in many parts of the grain zone and wide fluctuations in temperature. The heaviest rainfall occurred in south-east and northern Buenos Aires, south Santa Fe and Entre Rios. Although the south-east of Buenos Aires was already well supplied with moisture, the rain was a welcome addition to moisture supplies in other parts of the country.

Crop Conditions Uniformly Good - The condition of the new crops appears to be uniformly good. The wheat and linseed crops have progressed very favourably and in many parts of the corn zone the new crop is putting in an appearance. Some frosts were reported from south Buenos Aires and the Pampa, but the wheat was not far enough advanced in those districts to have suffered any real damage.

Measures being taken to Combat Locust Threat - Offsetting this extremely favourable outlook is the present locust threat. These insects have moved farther south in Entre Rios, but determined efforts are being made by the government to combat the invasion this year.

Wheat Acreage for 1946-47 - The wheat acreage at 16.2 million acres for the 1946-47 season while somewhat above the level of the past few years is below earlier trade expectations and well below the prewar average (1935-39) of 18.7 million acres. The failure to achieve a larger wheat acreage this year is attributable in part to a shift to coarse grains which occupy a larger acreage than before the war. Assuming average yields, Argentina may realize a wheat crop of approximately 200 million bushels, about 60 million bushels above last year's crop.

Wheat Exports Dwindle Substantially - Present grain exports are largely made up of corn as wheat clearances have dwindled markedly within the past few weeks. Total wheat exports during the 9-month period commencing January 1 amounted to nearly 46 million bushels as against approximately 88 million shipped during the same period a year ago. Almost three-quarters of the 1946 total was consigned to the United Kingdom and the Continent. Exports for the remainder of the year are expected to remain at a low level as private estimates place the remaining stocks at only 18 to 22 million bushels which includes some already allocated for shipment as well as some for carry-over.

Buying and Selling Prices for Wheat - The government is still paying farmers the equivalent of \$1.62 per bushel for wheat delivered at the ports (converted at the official rate of .297 cents per peso) and is exporting it at \$2.84 per bushel f.o.b. Domestic millers are able to procure their supplies at 97 cents per bushel.

### AUSTRALIAN SITUATION

A cable regarding the wheat situation in Australia at the beginning of October was received from the Canadian Government Trade Commissioner in Melbourne and is quoted as follows:

"Australian wheat stocks at October 5 totalled 33 million bushels. New crop is estimated at about 130 million bushels. Crop conditions are good in Victoria, average in West Australia and South Australia. A crop failure is probable in Queensland and northern New South Wales.

"Exports of wheat during September totalled 30,575 tons, mostly to India and flour exports 33,017 long tons, mostly to India and Ceylon. The export price of wheat has been increased to 12 shillings per bushel Canadian (approximately \$1.93 per bushel).

### CALENDAR OF WHEAT EVENTS

- October 1 Broomhall reports that the weather has been more favourable for harvesting operations in western Europe and the United Kingdom, and good progress has been made during the past week.
  - 2 Revised official estimates place the 1946 French wheat crop at 244.4 million bushels as against 184.0 million in 1945 and an average of 286.5 million during the five-year period 1935-39.
  - 4 During the 9-month period commencing January 1 exports of Australian wheat and wheat flour have approximated 50 million bushels.
  - Reports from Europe continue to indicate that grain import needs will considerably exceed early expectations owing to excessive rains in some sections during the harvest period and a persistent drought which has caused serious deterioration of the corn crop in the Danube Basin.
  - 9 British millers are now grinding 50 per cent Canadian wheat, 35 per cent British and 15 per cent United States. Broomhall.
  - The October 1 estimate of the production of wheat in the United States places the 1946 crop at 1,169,4 million bushels composed of 879.9 million bushels of winter wheat and 289.5 million bushels of spring wheat.
  - 11 Stocks of Canadian wheat in store or in transit in North America totalled 118.8 million bushels as compared with 206.8 million at the same date a year ago.
  - 14 A revised estimate of the 1946 Italian wheat crop places the outturn at 224.0 million bushels as compared with 169.0 million in 1945 and an average of 279.5 million for the five-year period of 1935-39.
  - The price of Australian wheat for export has been raised to 12 shillings per bushel f.o.b. the seaboard. This is equivalent to \$1.93 in Canadian funds.
  - The new Australian wheat crop is now estimated at 130 million bushels, 25 million bushels below earlier estimates.
  - 18 Since January 1, Argentina has exported 46.4 million bushels of wheat as compared with 86.2 million a year ago. The 1946 figure is composed of 34.4 million bushels shipped to the United Kingdom and the Continent and the remainder to other destinations.
  - A belated estimate of India's 1945-46 wheat crop which was harvested in April placed the outturn at 334.8 million bushels from 34.7 million acres as compared with 392.0 million bushels from 35.0 million acres in 1944-45.
  - 22 On the basis of information received by the United States Office of Foreign Agricultural Relations, a world wheat production of approximately 5.900,000,000 bushels is forecast for 1946.
  - 24 The United States Office of Price Administration relinquished price controls of all foodstuffs with the exception of sugar and rice.
  - 28 The British Minister of Food announced that bread rationing in the United Kingdom would continue for some time.

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